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56-2598

19 JUL 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Operational Activity - Commercial Staff

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1. This memorandum is for information only, particular reference is made to paragraphs 2, 3, and 4.

2. A copy of the proposed Administrative Plan for the subject project was received by this Office on 16 July 1956. In connection with the review of the Administrative Plan, a review also was made of the provisions of the project outline which was approved on 25 April 1956 by the ADD/S. It was noted that the provisions of the project outline state that the staff agent operating the subject project will render specific assistance to cover organizations such as:

"...working with management in establishing routine internal procedures of the organization; assist in the establishment of accounting systems and review of supporting documentation; establish inventory control and participate in the taking of inventory, where necessary; secure and interview Agency personnel for proprietary organizations; furnish part-time bookkeeping and accounting services as needed; make recommendations pertaining to financial control, control of expenditures, etc.,..."
(Underscoring Supplied)

3. The responsibilities of the staff agent under this project are very similar to the responsibilities now provided by Mr. [REDACTED] under Project [REDACTED]. At the time that the Administrative Plan for Project [REDACTED] was concurred in by this Office, there was an understanding between the Comptroller and the Chief, Commercial Staff, that no accounting system would be established or revised in any KUBARK projects serviced by [REDACTED] without collaborating with the Office of the Comptroller and the concurrence of this Office in the establishment of and revision of accounting systems.

4. The concurrence of this Office in the Administrative Plan for Project [REDACTED] also is subject to the understanding, with the Chief, Commercial Staff, that before any accounting systems are established or revised based upon the activities of the staff agent under Project [REDACTED] collaboration will be effected with this Office and the concurrence of this Office will be obtained; likewise, in

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accordance with the responsibilities of this Office and the Commercial Staff, it should be understood that concurrence in the Project [REDACTED] Administrative Plan also is subject to the condition that prior concurrence of this Office shall be obtained (a) before personnel are employed to serve as the principal accountant or comptroller of any KUBARK project and (b) concerning recommendations relating to financial control or control of expenditures proposed by the staff agent under Project [REDACTED]

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[REDACTED]

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E. R. SAUNDERS

CONCUR:

(signed) H. Gates Lloyd
Acting Deputy Director
(Support)

1 August 195

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